

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO**

IN RE:

INMOBILIARIA BAFCO INC.

DEBTOR IN POSSESSION

CASE NO.: 16-02642 (MCF)

CHAPTER 11

**DEBTOR'S REPORT TO THE COURT IN PREPARATION
FOR THE JULY 27, 2016 STATUS CONFERENCE**

TO THE HONORABLE COURT:

COMES NOW, INMOBILIARIA BAFCO INC., the Debtor, through undersigned attorney and very respectfully **STATES** and **PRAYS**:

1. *Nature of Debtors' Business*: The Debtor is engaged in the real estate business. Its main business is the lease of a commercial real estate property located at Metro Office Park , Calle 2 #14, Guaynabo, Puerto Rico.
2. *Reason for Filing the Petition*: The Debtor entered into several financial obligations with Westernbank Puerto Rico now Banco Popular de Puerto Rico ("BPPR"). These financial obligations were secured with liens over the real estate property. The Debtor also executed an assignment of rents as an additional collateral in favor of Westernbank now BPPR. The two credit facilities included a balloon payment in the amount of \$10,240,080.05 plus interests of \$ 13,511.22 and \$1,579,425.92 plus interests of \$2,083.96, approximately, due on November 30th, 2015. Given the downturn of the economic conditions of the real estate business in Puerto Rico the Debtor defaulted on the loans. After multiple attempts to reach an agreement with BPPR beneficial to both parties, such efforts did not materialize. BPPR filed a complaint for collection of monies and foreclosure on March 8, 2016. (Case No.

DCD-2016-0578). To preserve the value of the collateral and be able to pay off creditors 100% of the debt and avoid foreclosure a Chapter 11 bankruptcy petition was filed.

3. State whether this is a Small Business: Debtor is not a small business debtor as its total indebtedness exceeds the limits specified in 11 U.S.C. § 101 (51D) of the Bankruptcy Code. Debtor is a single asset case under 11 U.S.C. § 101(51B).
4. Timetable for filing a Disclosure Statement: Debtor's Disclosure Statement and Plan of Reorganization are intended to be filed within the exclusivity period of 90 days provided by the Bankruptcy Code, i.e., July 5, 2016, unless an extension of time is necessary, in which case it will be requested in a timely manner, within the exclusivity period.
5. Give an Estimate of all Professional Fees: Debtor estimates the total amount of professional fees accrued in this case at approximately \$50,000 including, bankruptcy attorneys, state court attorneys and accountants.
6. Anticipated Significant Events: At this time, the Debtor does not anticipate any significant events.
7. Discuss the Need for Future Status Conferences: The Debtor does not anticipate a need for requesting future status conferences.
8. Debtor hereby presents this report in compliance with this Court's Order entered on April 14, 2016. (Docket No. 11)

WHEREFORE, Debtor requests that this Honorable Court accepts the foregoing report in compliance with this Court's Order of April 14, 2016.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 22 day of April, 2016.

I HEREBY CERTIFY that on this same date I electronically filed the foregoing through the CM/ECF system, which will send notification of such filing to the parties listed below, including the US Trustee.

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